



April 27, 2020

VIA ELECTRONIC FILING

The Honorable Jocelyn G. Boyd
Chief Clerk/Administrator
Public Service Commission of South Carolina
101 Executive Center Drive
Columbia, South Carolina 29210

RE: Request of Dominion Energy South Carolina, Incorporated (f/k/a South Carolina Electric & Gas Company) to Transfer Real Property; Obtain Certain Waivers Associated with Real Property Transfers; Approve the Use of Bill Inserts and Election of Bill Credit; and Request for Expedited Consideration
Docket No. 2018-376-E

Dear Ms. Boyd:

Enclosed for filing on behalf of Dominion Energy South Carolina, Inc. ("DESC") (f/k/a as South Carolina Electric & Gas Company) is a Proposed Order Approving Transfer of Real Property and Waiving the Bid and Subdivision Requirements in the above-captioned docket.

By copy of this letter, DESC is providing counsel for the parties of record with a copy of the Proposed Order.

If you have any questions, please do not hesitate to contact us.

Very truly yours,

A handwritten signature in blue ink that reads "Matthew W. Gissendanner".

Matthew W. Gissendanner

MWG/kms
Enclosures

cc: Andrew M. Bateman, Esquire
Jeffrey M. Nelson, Esquire
(both via U.S. Mail and electronic mail w/enclosures)

BEFORE

THE PUBLIC SERVICE COMMISSION

OF SOUTH CAROLINA

DOCKET NO. 2018-376-E - ORDER NO. 2020-__

April ____, 2020

IN RE:

**Request of Dominion Energy South
Carolina, Inc. (f/k/a South Carolina
Electric & Gas Company) to Transfer Real
Property; Obtain Certain Waivers
Associated with Real Property Transfers;
Approve the Use of Bill Inserts and
Election of Bill Credit; and Request for
Expedited Consideration**

**PROPOSED ORDER
APPROVING TRANSFER OF
REAL PROPERTY AND
WAIVING THE BID AND
SUBDIVISION
REQUIREMENTS**

This matter comes before the Public Service Commission of South Carolina (“Commission”) by request of Dominion Energy South Carolina, Inc. (“DESC”) to transfer real property under the terms of the settlement agreement in the civil action captioned *Lightsey v. SCE&G, et. al.*, No. 2017-CP-25-00355, resulting from the abandonment of the V.C. Summer Nuclear Station Units 2 and 3. The purpose of this requested transfer is to maximize cash benefits to the plaintiff consumers in the *Lightsey* case Consumer Benefit Fund, as originally set out in Commission Order 2018-824.

As part of the *Lightsey* settlement, DESC requested that this Commission approve the transfer of certain real property known as the Old State Road Tract. At that time, the Old State Road Tract contained 140 acres. The Commission approved the sale of the 140-acre Old State Road Tract in Order 2020-34. In that Order, the Commission found (1) that the Old State Road Tract did not constitute utility property as defined by S.C. Code Ann. § 58-27-1300 (2015), (2)

that waiver of the Bid Requirement and Sub-Division Requirement set forth in Order No. 92-931 was proper, and (3) that the parties could pursue sale of the property per the Settlement Agreement.

DESC now seeks approval to modify the Old State Road Tract to complete the sale contemplated by the *Lightsey* Settlement Agreement and Commission Order 2020-34. The parties in *Lightsey* subsequently agreed to add 85.40 acres to the Old State Road Tract, which would now total 225.40 acres, for sale and inclusion in the Consumer Benefit Fund.

DESC requests that the Commission:

1. Approve transfer of the non-utility property Old State Road Tract which will now total 225.40 acres;
2. Waive the Bid Requirement from Order No. 92-931 for the sale of the Old State Road Tract now composed of 225.40 acres as the Commission did for the other 140 acres in Order No. 2020-34; and
3. Waive the Sub-Division Requirement from Commission Order No. 92-931 as applicable for the same 225.40-acre property as the Commission previously ordered for the 140 acres.

Section 58-27-1300 of the South Carolina Code of Law Annotated (2015) requires DESC to obtain approval from the Commission when the company seeks to “sell, assign, transfer, lease, consolidate, or merge its utility property” that has a fair market value in excess of \$1,000,000. Commission Order No. 92-931 set forth certain requirements for real property owned by DESC, including the competitive bid process for sales of real estate with an appraised value in excess of \$50,000, and the sub-division requirement for tracts of land into parcels with a market value of less than \$150,000.

IT IS THEREFORE ORDERED:

The Commission approves DESC's requests to add 85.40 acres to the 140 acres of the Old State Road Tract previously approved for transfer in Order No. 2020-34 and to transfer the now 225.40-acre Old State Road Tract pursuant to the terms of the Settlement Agreement and Consent Order in the *Lightsey* matter.

The Commission previously found that the 140 acres of the Old State Road Tract did not constitute utility property because it was not classified as utility property or used as utility property in the last 5 years. DESC asserts that the same applies to the additional 85.40 acres and that the enhanced Old State Road Tract, now 225.40 acres, constitutes non-utility property. Thus, the Commission finds that the Old State Road Tract, now 225.40 acres, qualifies as non-utility property which does not require prior approval from the Commission pursuant to S.C. Code Ann. § 58-27-1300.

Because the proposed sale value of this enhanced Old State Road Tract property exceeds \$200,000, it remains still subject to the Bid Requirement and Sub-Division Requirement. DESC advises that it has no further use for this enhanced Old State Road Tract property other than to meet its obligations under the Settlement Agreement and Consent Order. The transfer of this property will satisfy a negotiated settlement meant to maximize settlement relief to the plaintiff consumers. Maximizing value to that group further satisfies the purpose of the bid requirement. Moreover, the plaintiff consumers (all former SCE&G ratepayers) are independent from DESC. Based on the foregoing, the transfer of the properties in this manner encompasses the fair and equitable considerations espoused by Order No. 92-931. The Commission finds that waiver of the Bid Requirement for the 225.40 acres is proper.

Moreover, none of the parties to the Settlement Agreement have proposed to sub-divide the enhanced Old State Road Tract property at this time. In fact, the plaintiff consumers have

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agreed to sell the enhanced Old State Road Tract as the full 225.40 acres. Even if the plaintiff consumers later decided to subdivide, such a sub-division would be ancillary to the transfer itself and would not involve any affiliate transactions such as those subject to review under Order No. 92-931. Therefore, waiver of the Subdivision requirement is proper.

This Order shall remain in full force and effect until further order of the Commission.

BY ORDER OF THE COMMISSION:

Comer H. “Randy” Randall, Chairman

ATTEST:

Jocelyn Boyd, Chief Clerk/Executive Director